



# CDBG Advisory Committee

September 23, 2016

## Action Items

1. Consider another Advisory Committee meeting in early December.
2. Send out all of the minutes from each call to all of the Advisory Committee members.
3. Continue Finalizing Plans for the CDBG Consultant Training.

## Meeting Minutes

### 1. *Update on the CDBG Consultant Training*

- a. Make sure to give attendees sufficient time and consider West Sacramento as a possible site. Consider hosting the training on the week of November 14.
- b. Let Grantees know the costs associated with attending the training are eligible expenses.
- c. Consider using attendance as a nominal amount of bonus points or a tie-breaker.
- d. Consider offering an extended advisory committee meeting from 4-5:30 on the 2<sup>nd</sup> day of the training.

### 2. *2016 NOFA: Potential Forward Funding*

- a. The NOFA is highly competitive with more than a 2:1 request for funds.
- b. Approximately 30 percent from next year's allocation could be spent for this current round of applicants, resulting in approximately \$9 million in additional funds.
  - i. Some advisory committee members stated that HCD has done this before and it was helpful.
  - ii. **AB 325** Conflict – can we forward fund with these requirements?
    1. AC members believe that most people don't draw down funds in the first six months, so if HCD could commit funds even without having them until 6 months later, that shouldn't be an issue.
    2. The problem is HCD needs the funds in order to commit them.
    3. Don't allow grantees to draw down activity delivery dollars until July 1 2017.
  - iii. There may be a way to publish the "funding down the line" list. There may be a way to telegraph that some are on the potential list.
  - iv. HCD could possibly change the process to allow reimbursement for NEPA.

### 3. NOFA “Lessons Learned” and Potential Regulation Changes

- a. Possibly increase Public Improvements/Works to \$2 million.
  - i. There’s a \$1 million limit on MF rehab with or without acquisition, would this be raised as well? Possibly, just raise the limit for those projects with acquisition.
  - ii. Consider Priority points to target old HOME projects that need rehab.
  - iii. In theory, Rehabilitation projects should be clear, and could be completed quicker.
- b. Multifamily Housing: Capacity is all based on Jurisdiction’s previous experience
  - i. Include *other federal funds (projects)* as a scoring criteria.
- c. Advisory Committee members stated that HCD should ask jurisdictions if they are currently able to fund the activities they want to. Possibly offer some sort of survey monkey. Have open-ended questions about activities. Maybe bring up these questions at the larger Advisory Committee.
  - i. Advisory Committee members stated that HCD should ask for a minimum allocation by activity.
- d. Advisory Committee members state that some jurisdictions are not fully aware of the wide variety of activities offered by the CDBG program.
- e. Advisory Committee members stated that PTAs are not as accessible as they used to be. A stand-alone PTA could be more helpful. Whether you actually receive funds or not, for other activities, should not determine if you’re funded for PTAs. These rules would have to be changed in the Annual Plan.
- f. Remove the restriction that supplementals cannot be added post-application.
  - i. Allow standalone PTAs as part of the PI waiver process. This is not currently allowed. It could be this way because of the concern of the Admin cap. PTA supplementals are also not allowed.
  - ii. Is there a current best practice to explain best activities for supplementals? Alternatively, do we want to allow all activities to use supplementals?
  - iii. Next step is determining that standard agreements do not prohibit additional supplementals.
  - iv. If there could be a way to include all activities as supplementals that circumscribes the need to amend the contract when two years down the line the grantee asks HCD to use Program Income funds on a Public Service or Public Improvement supplementals.
- g. Review group of jurisdictions who do not have open contracts and take their Program Income back.

- h. Many different states have models that reduce the total amount of Program Income.
- i. Consider asking non-Program Income spending Jurisdictions to attend the training. Find a stick to get them into the training. Perhaps up-to a year.
- j. Create a sanctioned peer-to-peer list that jurisdictions could contact to develop a plan to spend Program Income on hand.

#### *4. General Contract Management Issues*

- a. Committee members considered having back-to-back advisory committee meetings. Have CDBG on the first day and HOME on the second day.
- b. There will be several sub-committee conference calls before this meeting.

#### *5. Training for jurisdictions and grantees*

- a. General Email Box: This is for set-up reports and general conditions checklist. There will be a management memo with specific instructions on how to send your materials in. It is not a retroactive memo.
  - i. informative email auto-response
  - ii. The Management Memo should come out in a few weeks. The policy would be effective November 1<sup>st</sup>.
- b. Peer-to-Peer Consultation: Grantees offering TA to other Grantees

#### *6. Annual Reports Outcomes, Feedback and Concerns*

- a. There are 162 jurisdictions. Out of 113 jurisdictions who submitted Annual Reports, 105 reports needed to be returned to be completed properly.
- b. Some of the reports returned did not include a comprehensive contract number list. Contract management reps found contract numbers in CAPES and asked the grantees for an updated list.
- c. Advisor Committee members stated that there was some content in Section 3 that was not clear. The level of information HCD wants in regards to sub-contractors is not clear.
- d. Send recommendations or comments to Karen P. to start identifying the problems and look at how to make this process less time-intensive.

- e. Members asked why HCD needs contract information that you already have.
- f. Locking the forms makes it more difficult to copy and paste information from the previous years' forms.
- g. One of the questions in the form asked "Did you have a contract with...". "Did it exceed \$200,000" in the Matrix. Some members did not know if this was asking about a jurisdiction's contract with HCD, or a jurisdiction's contract with contractors (etc.)?
- h. HCD should provide more thorough examples of how to fill out the forms.
- i. Question B did not clearly include PI waivers. It needs to be clear if there is any CDBG activities, grant or PI.

## 7. *FRED Issues*

- a. Management Memo on what is required. It could be helpful to updated the Citizen Participation Chart.
- b. If a Public Hearing is required for Planning Grants it would be helpful to list this on the set-up report.

## 8. *Various Sub-Committee Research Items*

- a. **Procurement:** After a conference call with some advisory committee members, HCD has created an early stage of a draft of a new chapter. HCD still needs to make the philosophical decision as to how the new chapter will look, if it will separate state and federal regulations.
  - i. Also, recent meeting with HUD representative illustrates that HCD's policies are too cumbersome. For one, HCD does not need to approve all sole-source procurements. Additionally, receiving only one bid does not mean the procurement is sole-source.
  - ii. Create a statewide bulletin board for procurement.
  - iii. Create a basic CDBG webpage where staff would post procurement requests. There would need to be a clear, simple format.
  - iv. Having contracted engineers creates problems. A city procured an engineer years ago; usually it is a five-year agreement. There should be a consistent threshold for city-contracted staff.
  - v. It could be valuable to remove the Engineer cost study and concept plan.
  - vi. For HCD's letter to HUD: Consider including "sunset clause" issues and city engineers work on CDBG activities, also consider questions about 200.319(a) for contractors who develop draft specifications etc.

- b. **Predevelopment NOFA:** Establish a Pre-Development NOFA and time it prior to the General NOFA to get the standard agreements executed quickly, quicker than the general NOFA.
  - i. The committee agrees to simply fund down the list and not worry about a pre-development NOFA until next year.
- c. **Extension Policy**
  - i. Allowing grantees to apply for future funds, to not be held out with the fifty percent rule if they agree to disencumber funds six months in advance.
- d. **Business Assistance**
  - i. The sample guidelines are problematic.